

1 MAR 1977

MEMORANDUM FOR: Director of Logistics

FROM :

Chief, Real Estate and Construction Division, OL

STATINTL

SUBJECT : GSA Fee for Architect-Engineer Services for
Project SAFE

1. Pursuant to your request, this memorandum addresses the additional information regarding the breakdown of the General Services Administration (GSA) fee of \$108,200 for Architect-Engineer (A&E) services required for Project SAFE. Headquarters Engineering Branch (HEB), RECD/OL, determined a fee based on estimated construction costs of \$2,000,000 (excluding GFE in the amount of \$700,000) which corresponds the scope of work sent to GSA. As you will recall, this scope of work excluded the installation of the third 2500 kW generator which will be purchased and installed separately (\$800,000). Using informally obtained schedules, the fee was calculated as follows:

A&E (6%) Fee	\$108,600
GSA Design Management and Review	<u>19,400</u>
Total Fees and Charges (Without contingency and administrative charges)	\$128,000

2. Comparatively, their requested fee of \$108,200 appears reasonable because typically GSA A&E firms base their fees on total "installed" costs which would have increased our construction cost base to approximately \$2,700,000 by including equipment costs of \$400,000 (60 Hz UPS) + \$200,000 (415 Hz UPS) + \$100,000 (HVAC equipment) = \$700,000, total additional cost, which increases the fee as follows:

A&E (6%) Fee	\$143,040
GSA Design Management and Review	<u>22,760</u>
Total Fees and Charges (Excluding contingency and administrative changes)	\$165,800

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3. Requests for a breakdown of this fee by telephone to both Construction Management and Repair and Alteration Divisions were declined by GSA citing that such a request must be in writing to Mr. James Steele, Regional Commissioner. It was indicated, however, that their fee computation of \$108,200, was based on the GSA estimated construction cost of \$1,500,000 and included the A&E fee, GSA Design and Review, unspecified design contingency, contracting, reproduction, and travel costs. Using a \$1,500,000 cost and recomputing the fee, the amount for contingency and miscellaneous administrative charges was calculated as follows:

A&E Fee	\$ 83,100
GSA Design Management and Review	<u>12,900</u>
Total Fees and Charges (w/o contingency and administrative charges)	\$ 96,000

Subtracting from their requested fee:

\$108,200
- <u>96,000</u>
\$ 12,200

The remainder is for design contingency and miscellaneous administrative charges.

(Note: The preliminary construction estimate of \$1,500,000 by GSA serves only as a basis to determine design costs to this Agency. Upon completion of the engineering design and specifications, a final estimate of construction costs will be made to determine a firm fixed price for this Agency's work authorization.

4. While it is not possible to break down this \$12,200 cost further for this memorandum, the requested fee of \$108,200, in our opinion, is reasonable. STATINTL



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